

**METHOD AND APPARATUS FOR GENERATING
PURCHASE INCENTIVES BASED ON PRICE DIFFERENTIALS**

ABSTRACT OF THE DISCLOSURE

A technique for customizing purchase incentives, such as discount coupons
5 and the like, based on whether a consumer buys a promoted item or a competitive item,
and on the price of the promoted item relative to the competitive item. The invention
identifies promoted or competitive products in a consumer's order, and selects an
incentive that is appropriate for the price differential between the promoted and
competitive items, and for the purchase choice already made between the promoted and
10 competitive items. a different incentive is provided for the different pricing and choice
combinations, in an effort to maximize sales for the promoted item, and the different
incentives are stored in an incentive matrix accessed by product purchased and by
consumer profile as determined from whether the consumer bought the more expensive
item, the less expensive item, or one of two equally priced items.

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